

Oracle® Retail Category Management Planning and Optimization/Macro Space Optimization

Release Notes

Release 15.0.1

May 2016

The Oracle Retail Category Management Planning and Optimization (CMPO) and Macro Space Optimization (MSO) applications collectively support the development of category plans, optimization of total store/department/aisle space allocation, and creation of customer-centric and targeted assortments with optimized product assignments. Processes broadly follow the traditional eight-step Category Management business process, with the inclusion of the consumer segment perspective across various points in the process flow. Most importantly, the application provides a structured, measured set of activities designed to achieve specific business objectives:

- The Category Planning task enables the retailer to create high-level qualitative and quantitative business plans at the trading area level.
- The Assortment Planning and Optimization tasks facilitate the creation of SKU-level customer-centric and targeted assortment plans at the cluster and store levels across the retail chain.
- The Macro Space Optimization tasks facilitate the creation of macro-space plans for optimal space productivity.

The CMPO application consists of the following tasks:

- **Category Planning:** Used to analyze a retailer's business across product categories and within a category, from a market, competition, and consumer perspective. Category Planning is used to set business targets and assign roles, strategies, and tactics for individual product categories at the trading area level.
- **Assortment Planning Analysis:** Used to analyze an assortment's historic performance from a cross-category perspective of the retailer's business, market, competition, and consumer information at an item level. It also provides insight into the trends, market composition, and market structure from a competition and consumer segment perspective. It is used to review roles, strategies, and tactics from the Category Plan, and targets from both the Category Plan and Merchandise Financial Plan. Visibility to roles, strategies, tactics, and financial targets in assortment planning ensures that SKU/item level assortments align back to the overall category-level objectives.
- **Assortment Planning @ Cluster:** Used to create assortment plans using Item Priority Index (IPI) and market coverage-based methods.
- **Assortment Planning @ Store:** Used to create, adjust, review, and approve custom Assortment Plans at the store level utilizing IPI-based assortments.

Note: When Assortment Planning @ Cluster or Assortment Planning @ Store is paired with the Oracle Retail Customer Decision Tree and Demand Transference Science Cloud Service, the techniques of Demand Transference, Assortment Improvement, and Incremental Curve may be used to fine tune and optimize draft assortments. Integration with the Oracle Retail Assortment and Space Optimization Science Cloud Service may be utilized to align assortments to the space available for optimal space productivity.

The MSO application consists of the following tasks:

- Macro Space Optimization @Dept: Used to allocate optimal space to different departments based on the historical relationship between space and profit. This helps determine the macro-space plan at the department level, specifications for store layouts, shelves, fixtures, and merchandising techniques, thereby facilitating the efficient utilization of the available space by the retailer.
- Macro Space Optimization @Sub-Category: Used to allocate optimal space to different sub-categories under a department to efficiently use the available space at this level. This helps in determining the planogram design and merchandising method at the sub-category level.

Following are the key highlights of the CMPO application:

- Provides a best practice methodology for category management.
- Efficient consolidation of internal / external data sources, providing actionable insights for customer, channel, and competitive analysis.
- Define and communicate category roles, strategies, and tactics.
- Create and manage optimized assortments at the national, cluster, vendor/brand, and store level.
- Integrates with macro and micro space optimization solutions; maximizing return on space while reconciling with strategic plans.
- Leverage science-based approaches to create local / customer centric assortments.
- Use Customer Decision Trees / Consumer Decision Trees within the assortment process to validate the assortment.
- Application of SKU level Demand Transference Models to predict SKU interaction; enabling the creation of the optimal assortment.
- Conduct What-if Optimization.

Note that the previously mentioned activities, part of the Category Management Planning and Optimization application, are performed at different levels of the product and location hierarchies. This facilitates the customized ability to refine assortments based on cluster and/or store specific needs.

Following are the key highlights of the MSO application:

- Determine the optimal space to allocate to departments, categories, sub-categories, and/or planograms.
- Drive out space reallocation trade-offs at the store or store group level.

- Consolidate multiple data sources, including store layout details, to provide needed insights to create accurate and actionable results.
- What-if capabilities provide the ability to evaluate the impacts of adding or removing space.
- Leverage space and/or financial constraints as the basis for space optimization.
- Leverage algorithms specifically developed by Oracle data scientists to identify and measure the diminishing return on space to produce elasticities specific to each product area.
- Available score-carding to easily assess the impacts to the recommended results.

Note: To accommodate better implementability and maintainability, the formatting packaged with the application is limited to configurable formatting and graph formatting. All other pre-formatting is disabled.

Note: Due to changes since the 13.4.0 release, it is not possible to upgrade a domain from 13.4.0 to this release. It is required that a new domain be built.

Hardware and Software Requirements

See the *Oracle Retail Category Management Planning and Optimization/Macro Space Optimization Installation Guide* for the hardware and software requirements.

Noteworthy Defect Fixes

The following noteworthy defect fixes are included in this release:

Affected Component	Fixed Issue/Defect	Defect Number
Batch Scripting	When the aso_apo_interface.ksh script failed on a call to the Oracle Relational Database, it did not provide helpful information on the cause of the problem. Going forward, the SQLPLUS output for problems encountered with the database will be appended to the error information returned. This affects calls to EXEC_FUNC, EXEC_PROC, and so on, made from the CM scripts.	22160669

Affected Component	Fixed Issue/Defect	Defect Number
Configuration	When locking a POG sub-category or department, and optimizing, the recommended profit shown is the WP Gross Profit. This calculation is modified to instead show the profit from the POG Profit table (editable in Admin workbook) that corresponds to the closest POG Space table entry for that locked space. For example, if a locked space is 18 units, the calculations locate the closest space in the POG space table to 18, then uses that index to return the corresponding profit from the POG profit table. In addition, WP Gross Profit diff R is removed from the worksheet since it was incorrectly comparing recommended profit versus Gross Profit.	20923300
Configuration	The MSO Department and MSO Sub-Category workbooks did not respect the dynamic rollup of store to store cluster in the product hierarchy. This was due to missing a Workbook Hierarchy entry for the store cluster level (strc). This is corrected.	22364919
Configuration	Two measures, ACHdMCRankX and ACH1MCRankX, had calc rules but the rules were not in the AC_calc rule group. These measures are required for Market Coverage calculations and are not viewable, but still have calculations. The Configuration Tools tasklist reported a warning in the AC_calc ruleset because their calculations were not in AC_calc rule group. The measures' calculations are copied to the AC_calc rule group and the warning is no longer in effect.	22364938

Related Documentation

For more information, see the following documents in the Oracle Retail Category Management Planning and Optimization/Macro Space Optimization 15.0.1 documentation set:

- *Oracle Retail Category Management Planning and Optimization/Macro Space Optimization Installation Guide*
- *Oracle Retail Category Management Planning and Optimization/Macro Space Optimization User Guide for the RPAS Fusion Client*

For more information about Batch Script Architecture, see the documents in the Oracle Retail Batch Script Architecture documentation set.

Previous Releases

For additional information on previous Oracle Retail Category Management Planning and Optimization/Macro Space Optimization release enhancements and additional information, refer to the Release Notes and documentation that accompany the previous release.

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